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DD/S 71-2579

30 JUN 1971

MEMORANDUM FOR: Director of Planning, Programming and Budgeting
SUBJECT: Annual OMB Management Improvement Plan/Report
REFERENCE: Memo dtd 14 May 71 to DDI, DDP, DDS&T and DDS
fr D/PPB; re same subject

1. Attached is the Management Improvement Plan of the Support Directorate covering accomplishments and goals in the areas of management effectiveness and cost reduction. These properly reflect internal operations, but we trust that our primary accomplishments are reflected in the accomplishments of the operating elements of the Agency.

2. We suggest that you may wish also to include the major items granted awards under the Agency Suggestion Awards Program for FY 1971. The Office of Personnel can supply details of the sizeable accomplishments which may have been overlooked by Agency components in their reports.

3. As discussed with Mr. of your Staff, the Office of Communications contribution to this report will be furnished on 7 July 1971.

JS
John W. Coffey
Deputy Director
for Support

Att.

PS-DD/S:SWR *hkf* (30 Jun 71)

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Directorate

Annual Management Improvement Plan

30 June 1971

I. Management Effectiveness Goals

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
Establish a policy for armoring Agency and personal vehicles used in certain areas, and the criteria for the type of armor necessary.	Protection of personnel in those areas where such measures are determined necessary.
Identify areas in the Agency procurement management process, including planning, negotiation, administration and settlement, which require corrective action. This will include in-depth surveys of the several decentralized Agency procurement elements.	To increase the overall effectiveness of the Agency procurement structure.
Work toward achievement of a building planning and space utilization program targeted at least 10 years ahead. This goal will, therefore, continue through FY 1972. It comprises planning for the building program to which OL is committed.	Provide the most efficient structures, supporting facilities and systems and equipment to meet the Agency's needs in the Metropolitan Washington area.
Expand further our utilization of containerized shipments by extending their use to shipping direct from the vendor to destination, and also by using them for shipments destined through those ports where containerized handling facilities are available and where high volume shipments are directed. We are also studying the application of containerization to air shipments, particularly those moving via the flights. 25X1	Reduce transportation time and pilferage and Agency depot handling, packaging and transshipping.
Establish an aggressive Environmental Improvement Program, in coordination with Federal, state and local agencies concerned, to identify and correct pollution problems. This program will be carried out in consultation with concerned Agency components.	Assure Agency compliance with appropriate environmental protection standards and that upgrading action is taken wherever necessary.

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I. Management Effectiveness Goals

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
Install a modern, high quality sound system in the Auditorium during the first half of FY 1972. Specifications are being prepared in cooperation with commercial contractors and the Department of the Army.	Upgrade the system, including its flexibility and ease of operation, so that it will meet all Agency requirements for sound recording and projection.
Update existing telephone facilities in the Metropolitan Washington area through the Call Director program. This program is targeted for completion by the end of FY 1972. Diversify underground and aerial cable facilities to ensure protection of service. Develop a master file of all wire diagrams.	Upgrade the facilities and their capability of meeting all foreseen requirements and contingency situations.
Further reduce printing production time for all Agency components' printing requirements during FY 1972. 25X1	To improve our responsiveness in support of the Agency's printing programs and reduce work backlogs.
<div data-bbox="462 1648 609 1680" style="border: 1px solid black; height: 15px; width: 90px; margin: 0 auto;"></div>	<div data-bbox="812 1627 1502 1690" style="border: 1px solid black; height: 30px; width: 425px;"></div>
Implement, in collaboration with Office of Computer Services, the new computer-based integrated payroll system for all personnel under official cover. The system with an implementation target date of 1 November 1971 is expected to result in as yet undetermined manpower savings.	Provide for more effective use of people, space and equipment in terms of quantitative reductions or in terms of improved end products.

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L. Management Effectiveness Goals

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
Develop plans for an improved system to process all U. S. <input checked="" type="checkbox"/> and overseas accountings, utilizing computer techniques.	Substantially reduce the manual work presently required and to satisfy internal financial reporting requirements in an optimum fashion.
Develop plans for converting to microfilm those hard copy computer outputs destined for long term storage as part of the records retirement program. Plans will include use of the microfilm as a day to day information source prior to retirement.	Provide for more effective use of people, space and equipment in terms of quantitative reductions or in terms of improved end products. 25X1
[Redacted]	[Redacted]
25X1	[Redacted]
Implement the PERINSUR project. ✓	Provide a system of payroll deductions for the payment of insurance premiums.
Publish Agency regulations on contracts for personal services.	Resolve substantial differences over the scope of the proposed Agency regulation on contract employment and present it for full Agency coordination.
Implement program for advance review of the files of prospective retirees.	Establish procedures for advance review of files of prospective retirees upon their entry into the five-year retirement planning phase. The purpose would be to validate their creditable service so that if repayment of contributions is to be made, the persons the five-year period to make payments.

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I. Management Effectiveness Goals

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
<p>By virtue of the acquisition of certain advanced technical equipment (ECG/Spirogram Data Acquisition System) at a cost of \$25,000, all EKGs done in the two clinical facilities of the OMS will be recorded on magnetic tape, which will in turn be processed by the Office of Computer Services. In a matter of hours, the OMS will have a print-out analysis and summary of the EKG. The new equipment for this procedure should be in place by August 1971 and computerized readings of OMS EKGs should be routine by late summer. (This equipment has an analogous capability for computerized reading of spirographic (lung function) studies and the equipment will be applied to such OMS testing at a later date.)</p> <p>By virtue of the acquisition of an IBM 1230 Mark Scoring Reader (at a monthly rental of \$440), the Psychological Services Staff of the OMS will be able to process its testing caseload (initially the Professional Applicant/Employee Test Batteries) in about one-third the time now required. These tests are now scored by two PSS psychometrists. With the new arrangement that should be in effect in early FY 1972, these psychometrists will be largely free for more professional duties within PSS -- such as individualized testing and assisting psychologists in intensive assessments. (The IBM 1230 will score certain tests and will process other tests for subsequent processing/scoring by the IBM 360 in the Office of Computer Services.)</p>	<p>Larger volume of EKGs; standardization of interpretation (this now varies according to the capability of the reading medical officer); consistency of interpretation (this now varies among different medical officers as well as for the same medical officer on different occasions); fast and accurate (estimated at over 90%) screen-out of normal EKGs thus allowing more time for more detailed evaluation of abnormals by medical officers. Potential for the near future: computer storage and retrieval; correlation with other computer stored medical data; basis for studies and research.</p> <p>Faster test scoring of PSS administered tests; two-thirds of the services of two psychometrists made available for expansion of more professional services within PSS.</p>

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I. Management Effectiveness Goals

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
Continue testing likely microfilm applications, including COM.	To extend our knowledge of costs and/or benefits, facilitating determination of when and how to use microfilm.
Further reductions in the time required for pre-publication activity associated with regulatory issuances.	Enhance the timely promulgation of Agency policy.
Enlist the help of component support officers throughout the Agency in conducting forms surveys.	50% reduction in numbers of bootleg forms used.

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II. Cost Reduction Goals

Brief Description of Effort Planned During Upcoming Year	Goal or Objective of Proposed Effort
	Eliminate equipment rental costs amounting to \$15,000 annually.
Continue to develop and use negotiation expertise and special procurement techniques so as to reduce actual procurement costs substantially below those which have been programmed by Agency components for procurement requirements during FY 1972.	Reduce the actual cost of materiel and services procured during FY 1972 \$1,200,000 below estimated and programmed costs.
Devise a new motor pool dispatch system with the goal of reducing mileage costs as well as the amount of overtime required to provide dispatch service.	Reduce the cost of scheduled bus and limousine runs by 25-30 percent.
Eliminate the need for a new courier vehicle in FY 1972 by consolidating a special vehicle run into the established runs.	Cost of a new van type vehicle, \$4,500, will be eliminated.
Eliminate unnecessary access to Agency Department of Defense lines and the AUTOVON system.	Estimated annual savings in telephone service costs of \$10,800.
Termination of the Senior Management Seminar (Planning), a one-week program conducted by an outside contractor and requiring use of course material purchased from the contractor's firm, was approved in June 1971. Some of the materials are used in the Advanced Management (Planning) course. OTR will examine the feasibility of terminating the Planning course and replacing it with one of its own design, thus eliminating continued purchase of course material. If it is decided that a new course would be more relevant to the needs of the Agency managers, it is expected to be developed for presentation during the second half of FY 1972.	Total combined annual savings of \$12,000.

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II. Cost Reduction Goals

Brief Description of Effort Planned During Upcoming Year	Goal or Objective of Proposed Effort
<p>Produce low-cost, short training films for instructional programs. Except for the processing of the footage by Printing Services Division/OL, the scripting, filming and editing of approved films will be done by the Office of Training. Services of a contract script writer will not be required.</p>	<p>Estimated savings of \$7,000.</p>

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III. Management Effectiveness Accomplishments FY 1971

Summary of Improvement or X1 Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
Consolidating of cargo shipments and use of [redacted] to the Far East and Southeast Asia have proven successful, and a program was also initiated at [redacted] to utilize sea vans for shipments to [redacted]. We are now experiencing intransit times of 50 to 60 days as compared to the 75 to 120 days required under the old system.	NA 25X1	NA	NA	Savings will be programmed to cover increasing costs of other logistics activities.
Expansion of specialized architectural and engineering assistance, guidance and consultation has met with considerable success. A few recent examples of effective support in this area are: (1) Defining noise and vibration problems in the Magazine Building; (2) Solutions to lighting and sound problems in the Headquarters auditorium; (3) Definition and source of vibrations at NPIC, including the impact of METRO construction; and (4) The rehabilitation of facilities at [redacted].	NA 25X1	NA	NA	Savings will be programmed to cover increasing costs of other logistics activities.
Considerable success has been achieved toward reducing printing production time. For example, NIS production time has been reduced from an average of 44 to 33 days. Average production time for other printing jobs was reduced from 13 to 7 days. The backlogs of printing jobs has steadily decreased for 386 in July 1970 to 160 in May 1971. Further reductions are planned and a new goal has been established in this area.	NA 25X1	NA	NA	Savings will be programmed to cover increasing costs of other logistics activities.

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III. Management Effectiveness Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
Improvements in information handling via microforms has been achieved. At present, 14 microfilming projects are underway, with nine of these being accomplished within logistics printing facilities. Following are two examples: (1) Twenty-five cubic feet of documents are being microfilmed for DD/S&T; (2) Two million 3x5 cards were microfilmed "on location" at a [redacted] with equipment flown to the station, set up, and monitored by printing services technicians.	NA	NA	NA	Savings will be programmed to cover increasing costs of other logistics activities.
Establishment of the Curriculum Council as a continuing review body for OTR's entire program of instruction. It is directed primarily to determining courses that are duplicative, marginal, in need of revision, or to be developed; and to recommending the best practical solution to each of these determinations. It is also responsible for determining allocation of teaching resources. The Curriculum Council has reviewed all 70 OTR courses, exclusive of language courses. Several of its recommendations have been implemented; other recommendations remain to be determined and submitted for approval during FY 1972.	25X1			Savings will be programmed to cover increasing costs of other training activities.

III. Management Effectiveness Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
Implemented simplified procedures for reconciling Type II Annual Property Accountings with Headquarters control account.	\$11,500	\$11,500	\$11,500	Any savings from these two items will be applied in part to the absorption of reductions in authorized positions; in part to absorption of increased workload in other areas of activity; and in part to a realignment of the general T/O structure to strengthen the manpower effort being applied generally to the improvement of Agency financial accounting and reporting systems enhancement of financial analysis and procedural refinements and improvements.
Consolidated the commercially oriented accounting and auditing functions of the Office of Finance through merger of the Proprietary Systems and Accounts Division with the Industrial Contract Audit Division to form one new division called Commercial Systems and Audit Division. This provides for more efficient utilization of available manpower; flexibility to cope with the seasonal peaks in workloads through interchanges of personnel; broadening experience of employees; reduction of travel costs; and other administrative economies.	39,000	39,000	39,000	
New procedures and search criteria were established which eliminated unnecessary and unproductive name check searches at the National Security Agency by almost 50%.	NA	NA	NA	Clerical and administrative time saved enabled exploitation of a new source of Special Intelligence as well as collateral information. Work requirements for a GS-13 were reduced with the GS-13 being given additional responsibilities.
Reduced approximately 5-10% of total support requests as not feasible either through existing operational problems (i.e., cover considerations, jurisdictional responsibility) or because the requestor was reluctant to bear the cost.	NA	NA	NA	Devote efforts to more important security activities.

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III. Management Effectiveness Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
A project to provide for expansion of the payroll deductions system to include insurance premiums has been developed.	NA	NA	NA	NA
The Voluntary Investment Plan was announced effective 31 May 1971.	NA	NA	NA	NA
Improved Support Directorate contributions to the Agency's management data base. We have acquired a file management software package, identified as the Generalized Information Management System (GIMS), which when fully operational, will provide us with the desired level of control over the management data base.				Implementation of GIMS reduces programming effort and provides a flexible method for modification and expansion of the data bases.
Conducted a survey of DDS offices for potential microfilm applications. Evaluated the survey returns for the best initial applications.	NA	NA	NA	NA
Reduced backlog and the time it takes to edit, coordinate and publish regulations. The result has been that from 44 jobs in August 1970, we had only 7 jobs out for coordination in May 1971.	NA	NA	NA	NA
Discouraged the use of bootleg forms and promoted an understanding of how simple and worthwhile it is to get a standardized form.	NA	NA	NA	NA

III. Management Effectiveness Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
	FY 71	FY 72	FY 73	
Through use of automated laboratory procedures, it is now possible to perform twelve different tests on one blood specimen at a cost of \$2. The same tests if performed by previous manual methods would cost \$12. This is made possible by the availability of the SMA-12 Jr., a laboratory device for biochemical profiling -- a method for testing for a wide range of clinical data. Such testing often permits the early detection of pathology, and this in turn permits early medical management for conditions which, if undetected, could be costly in terms of lost working hours and medical evacuations from overseas. From the above data, a unit cost saving of \$10 for each of the blood specimens tested is cited, and a total "savings" for FY 1971 of \$35,000 is shown. FY 1973 is the year in which the OMS Multiphasic Screening and Periodic Health Examination Program should be activated. Under this, some 2,000 additional employees might be medically screened and the SMA-12 Jr. would be used for the laboratory procedures. This accounts for the sizeable increase in savings projected for FY 1973.	(\$35,000)	(\$36,000)	(\$55,000)	Savings reflect measurement of increased productivity rather than actual dollar savings.

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IV. Cost Reduction Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
	FY 71	FY 72	FY 73	
25X1 Conversion of the <input type="checkbox"/> heating plant from fuel oil to natural gas is in progress and is expected to be completed in 90 days. Based on a 2-year amortization of conversion costs, savings of \$6,800 are expected annually thereafter.	(By FY 1974, \$6,800 annually)			Reprogrammed to logistics requirements.
<input type="checkbox"/>	\$3,000	\$3,000	\$3,000	Reprogrammed to logistics requirements.
Negotiated cost reductions in procurement negotiations and special procurement techniques reduced actual costs substantially below those programmed by Agency components for their procurement requirements.	1,500,000	1,200,000	1,200,000	Revert to funds allocated to component requesting procurement.
Two projects accepted recommendations of a construction engineer to use two diesel generators in storage in lieu of procuring new generators.	30,000			Cost avoidance to the Agency.
A review and reduction of non-published telephone service resulted in annual savings of \$4,600. A procedural change requiring Agency operators to direct dial certain long-distance calls provided annual savings of \$2,400.	7,000	7,000	7,000	Reprogram to telephone facilities requirements.

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IV. Cost Reduction Accomplishments FY 1971

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will Be Programmed
	FY 71	FY 72	FY 73	
Rescheduling and transferring of night and day shift drivers resulted in a reduction of driver overtime requirements. ✓	\$5,900	\$5,900	\$5,900	Cost avoidance.
A program utilizing WAE employees at the General Printing Plant has been eliminated. The cost of this program was \$2,000 per month. The program operated for 4 months during FY 1971. ✓	16,000	24,000	24,000	Reprogrammed to logistics requirements.
The change-over from hot metal to photocomposition has reduced the use of lead in our printing operations with a resultant savings of \$4,000. ✓	4,000	4,000	4,000	Cost avoidance.
Developed computer processes replacing manual operations on vouchers, advance accounts and time and attendance reports. ✓	22,500	22,500	22,500	Reprogrammed to other financial requirements.
Replace one IBM 029 Key Punch Machine and six IBM 059 Verifiers with four Univac 1701-04 VP Key Punch/Verifiers in April 1971. Approximate savings during 4th Quarter, FY1971 - \$564. ✓	2,256 (Subject to any further increases in rental fees.)	2,256	2,256	Reduction in amount of funds requested for rental fees.
	22,100	22,100	22,100	Reprogrammed to cover increasing costs of training.